

**53B-12-104 Guarantee Fund -- Sources -- Use -- Valuation and restoration of assets -- Other funds.**

- (1) The authority shall establish the Utah Higher Education Assistance Authority Guarantee Fund from the following sources:
  - (a) insurance premiums;
  - (b) money appropriated and made available by the state for the purpose of the guarantee fund;
  - (c) money directed by the authority to be transferred to the guarantee fund; and
  - (d) other money made available to the authority for the purpose of the guarantee fund from other sources.
- (2)
  - (a) Money held in the guarantee fund shall be used only for payments required under the authority's guarantee agreements and for other purposes authorized by applicable federal regulations.
  - (b) Income or interest earned by the investment of money held in the guarantee fund remains in the fund.
  - (c) The authority may provide by resolution or guarantee agreement that it may not guarantee a loan if the assets of the fund are less than 1% of the unpaid principal amount outstanding upon all loans guaranteed by the fund, or a greater amount as determined by the authority.
  - (d) In computing the assets of the fund for the purposes of this section, securities are valued at par, cost, or by such other method of valuation as the authority may provide by resolution or agreement.
  - (e) In the event assets in the fund are less than 1%, or a greater amount as determined by the authority under Subsection (2)(c), the chairman of the authority shall annually, before the second day of December, certify to the governor and to the Director of Finance the amounts required to restore the assets of the fund to the required amount. The governor may request an appropriation of the certified amount from the Legislature in order to restore the required amount to the fund.
- (3) The authority may create and establish other subfunds as are necessary or desirable for its purposes.

Amended by Chapter 324, 2010 General Session